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**POLICIES AND ACTIONS TAKEN BY INDIVIDUAL COUNTRIES ,
AND BY INTERNATIONAL ORGANIZATIONS TO IMPROVE TRANSIT
TRANSPORT SYSTEMS**

Note by the UNCTAD secretariat

Executive Summary

This document contains the response of the Government of the People's Republic of China to the letter of the Secretary-General of UNCTAD requesting information on policies and actions to improve transit transport system.

People's Republic of China

1. With its vast territory, a long coastline and borders with many countries China was a major transit country in Asia. Today, China provides transit to a large number of countries including States in Central and East Asia. Thus, China attaches great importance to developing its transit transport systems in order to provide neighboring countries with high-quality transport services. In 1991, China's Lanzhou-Lianyungang transcontinental railway was connected with the Kazakhstan railway system. China is also holding discussions with the UNDP on a project to further develop the Eurasian transcontinental bridge region, implementation of which is expected to start this year.

2. The Government of China is aware of the importance of harmonization, simplification and standardization of transit-trade procedures in improving transit systems. The Government of China made efforts to streamline the transit transport procedures to further facilitate smooth movement of goods in transit. "The operating procedures for international transit container traffic along the Eurasian Continental Bridge" was prepared by the relevant departments of the Chinese Government. The Ministry of Transport used the above procedures as a basis for harmonizing transit charges for international container traffic. The General Customs Administration introduced also the rules for inspection of goods in transit. The establishment of a coordinating group consisting of representatives from relevant ministries and departments is considered to be an important step in further improving coordination and cooperation between different agencies dealing with transit trade. Information and training centres on transit traffic have been set up with the financial assistance of UNDP.

3. The Ministry of Transport has been implementing measures designed to reduce transit transport delays in main ports such as Lianyungang, Qingdao and along the main transit corridors. For example, transit time from Lianyungang port to the China-Kazakhstan border was reduced from 18 to less than 5 days in recent years. At the same time, the Department of Ports has reduced harbour fees. Thanks to these efforts the number of countries that use China's transit services is increasing. The volume of transit traffic has been rising rapidly. The Government of China recognizes that transit traffic is greatly facilitated by bilateral and regional agreements and arrangements which establish the principle and modalities that govern the development of transit infrastructure, day-to-day management and maintenance and transit procedures. China attended as an observer the signing ceremony of the Basic Multilateral Agreement on International Transport for the Development of the Transport Corridor Europe-Caucasus-Asia, which was held in Baku, Azerbaijan in 1998.

4. China faces increasing competition from its neighbouring States, which decreases the profit margin for transit transport services. The act of efficient tracking and information system and lack of intergovernmental agreements on matters such as pricing, security and services were major barriers in developing more efficient transit transport systems.